

Message Text

CONFIDENTIAL

PAGE 01 WARSAW 09136 231418Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
 CEA-01 L-03 /083 W
 -----232238Z 106712 /67

R 231246Z DEC 76
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC 5714

C O N F I D E N T I A L WARSAW 9136

E.O. 11652: GDS
TAGS: EFIN, ETRD PL
SUBJECT: GM DEAL DELAYED BUT MAY NOT BE DEAD

1. THERE ARE CONFLICTING SIGNS CONCERNING THE STATUS OF THE GM LIGHT-VAN PROJECT IN POLAND'S INVESTMENT PLANS. ON THE ONE HAND, THE POLISH EMBASSY IN WASHINGTON APPARENTLY ACTING ON AUTHORITATIVE INFORMATION, IS TELLING U.S. OFFICIALS THAT THE PROJECT HAS BEEN PUT OFF FOR OVER A YEAR. MINISTER OF FOREIGN TRADE OLSZEWSKI ON A VISIT TO BRITAIN WITH PREMIER JAROSZEWICZ REPORTEDLY TOLD THE BRITISH THAT THE GM DEAL HAD BEEN PUT OFF FOR WELL OVER A YEAR.

2. ON THE OTHER HAND, THE GM OFFICIALS WHO ARE NEGOTIATING THE CONTRACT HERE HAVE NOT BEEN TOLD OF ANY DELAY, AND THEIR POLISH COUNTERPARTS CONTINUE TO PRESS AHEAD WITH THE DISCUSSIONS, ALBEIT AT THE USUAL DELIBERATE POLISH PACE. FOR ITS PARTY, BANK HANDLOWY HAS JUST REQUESTED ANOTHER THREE-MONTH EXTENSION OF THE PRELIMINARY COMMITMENT FROM THE EXIMBANK. FINALLY, VICE CHAIRMAN OLESIK OF THE PLANNING COMMISSION, WHO HAD TOLD THE EMBASSY THAT A FINAL DECISION ON THE GM PROJECT WOULD HAVE TO BE MADE BEFORE THE END OF THIS YEAR, NOW REFUSES TO SAY WHETHER THE PROJECT IS GOING TO BE PUT ON THE SHELF OR NOT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 WARSAW 09136 231418Z

3. COMMENT: OUR INTERPRETATION OF THIS CONFLICTING EVIDENCE IS THAT THERE HAS BEEN A HIGH-LEVEL DECISION IN THE POLISH GOVERNMENT TO DELAY THE IMPLEMENTATION OF THE GM PROJECT FOR A CONSIDERABLE PERIOD OF TIME, BUT THAT A NUMBER OF WELL-PLACED POLISH OFFICIALS BELIEVE

THAT THIS DECISION IS NOT FINAL AND MIGHT BE REVERSED IN THE NOT TOO DISTANT FUTURE. SUCH A REVERSAL WOULD BE EASIER THAN WITH OTHER INVESTMENT PROJECTS, SINCE THE GM DEAL IS BEING HANDLED OUTSIDE THE PLAN. AMONG THOSE WE SEE AS FAVORING GOING AHEAD WITH THE PROJECT ARE PLANNING COMMISSION CHAIRMAN WRZASZCZYK, MINISTER OF MACHINE INDUSTRY LOPEC AND THE HARD-CURRENCY-HUNGRY OFFICIALS OF BANK HANDLOWY. THESE OFFICIALS PROBABLY FEEL THAT IF THEY KEEP THEIR HEADS LOW FOR A COUPLE OF MONTHS, THE CLIMATE AT THE UPPER LEVELS OF THE GOP MAY CHANGE ENOUGH SO THAT THEY COULD MOVE FORWARD WITH THE GM PROJECT.

4. WE BELIEVE GM NOW SHOULD CONCENTRATE ITS EFFORTS ON MAKING ITS FINANCING PACKAGE AS ATTRACTIVE AS POSSIBLE, IF GM CAN PRESENT A FINANCIAL ARRANGEMENT WHICH REQUIRES LITTEL OR NO NET HARD-CURRENCY OUTFLOW FOR FOUR OR FIVE YEARS AND PROVIDES FOR \$100 MILLION PLUS IN UNTIED FINANCIAL CREDITS AS THE FRONT END, THE GOP WILL FIND IT DIFFICULT TO RESIST GOING AHEAD WITH THE PROJECT AS THE COUNTRY'S FOREIGN EXCHANGE PROBLEMS CONTINUE OVER THE COMING MONTHS. END COMMENT.
BROWN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AUTOMOTIVE INDUSTRY, FOREIGN INVESTMENT, INVESTMENT OPPORTUNITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976WARSAW09136
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760471-0649
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761215/aaaaampu.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 03 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 MAY 2004 by greeneet>; APPROVED <04 MAY 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GM DEAL DELAYED BUT MAY NOT BE DEAD
TAGS: EFIN, ETRD, PL, US, GENERAL MOTORS, GM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006